

Institutional investors only
(not for onward distribution)

Morningstar Rating **★★★★★**

Fund Manager
Mark Westwood
Since: 10/2006

Fund facts

Index: FTSE All Share
Fund size: £228.77m
Launch date: 22/03/1934
Fund domicile: United Kingdom

Share class & general
Institutional I Inc GBP

Period end NAV price: 0.83
Sedol: 0144793
ISIN: GB0001447936
Bloomberg: TDNUSG2 LN
Reuters: 987648X.DX
MEX ID: ADFTI
WKN: 987648
Valoren: 712654

All information expressed in GBP

Contact Details

For your local office details please visit
our website threadneedle.com or
Tel: +44 (0)207 464 5000
europesales@threadneedle.co.uk
clientservices@threadneedle.co.uk

Source: FactSet

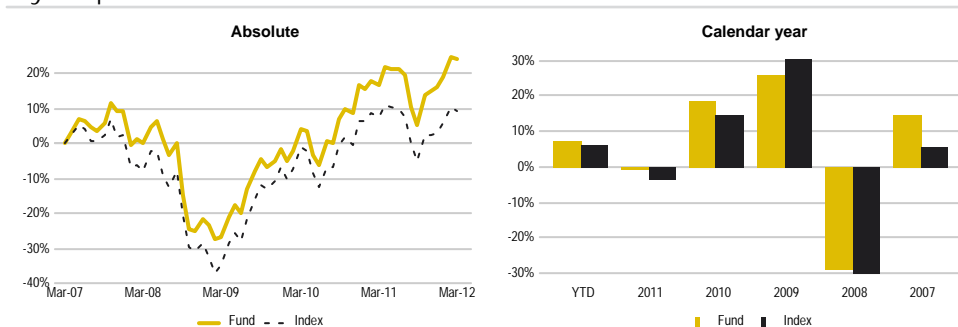
Threadneedle UK Select Fund

Investment objective and policy

The Fund aims to achieve above average capital growth.

The Fund invests for growth, through a concentrated, actively managed portfolio. The select investment approach means that the Manager has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility. The portfolio will consist primarily of equities of companies domiciled in the UK, or which have significant UK operations. If desirable, the Fund may further invest in other securities (including fixed interest securities, other equities and money market securities).

5 year performance



Fund performance

	1M %	3M %	YTD %	1Y %	3Y %	5Y %	10Y %
Fund (Gross)	-0.3	7.2	7.2	6.6	19.1	4.5	6.0
Index (Gross)	-0.9	6.1	6.1	1.4	18.8	1.8	5.2

Periods over one year are annualised

Performance 12 months ending

	31 Mar 08	31 Mar 09	31 Mar 10	31 Mar 11	31 Mar 12
	0.1%	-26.4%	41.6%	11.9%	6.6%

All Performance returns shown above are gross of total expenses and are at fund level using global close authorised valuations based on in-house calculated transactions with cash flow at start of day.

Top 10 holdings

	Sector	%
Rolls-Royce Holdings PLC	Industrials	5.2
BT Group PLC	Telecommunication Services	5.1
BG Group PLC	Energy	4.9
BP PLC	Energy	4.7
GlaxoSmithKline PLC	Health Care	4.7
Rio Tinto PLC	Materials	3.7
Prudential PLC	Financials	3.7
Royal Dutch Shell	Energy	3.7
Legal & General Group PLC	Financials	3.4
HSBC HOLDINGS PLC	Financials	3.1

Total number of stocks in portfolio: 41

Total Port % in top 10: 42.2

Past performance is not a guide to the future. The value of investments and any income from them can fall as well as rise. Copyright © 2012 Morningstar UK Ltd.

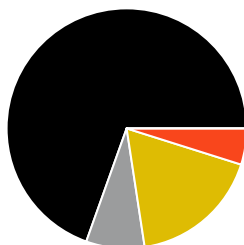
Subscriptions to a fund may only be made on the basis of current Prospectus. Investors should note the 'Risk factors' section of the Prospectus in terms of risks applicable to investing in any fund. The mention of securities is not a recommendation to deal.

Financial ratios

	Port	Index
Price/Book value	2.13x	1.63x
Price/Earnings ratio	12.23x	11.02x
Return on Equity	19.39%	20.83%

All financial ratios are based on the latest reported figures except where stated. Portfolio Characteristics and holdings are subject to change periodically and may not be representative of current characteristics. Price/Book values and Price/Earnings ratios are based on weighted harmonic average whilst the Return on Equity figure is calculated using weighted averages.

Market cap split



- Greater than 5 billion 69.5%
- Greater than 2 billion, less than 5 billion 7.9%
- Greater than 1 billion, less than 2 billion 17.6%
- Greater than 500 million, less than 1 billion 4.9%
- Less than 500 million .1%

Top 10 overweight and underweight stock

Overweight	Port %	Index %	Sector	Deviation from Index	%
Rolls-Royce Holdings PLC	5.2	0.9	Industrials		4.3
BT Group PLC	5.1	1.0	Telecommunication Services		4.1
Legal & General Group PLC	3.4	0.4	Financials		3.0
Fenner PLC	2.7	0.0	Industrials		2.6
Prudential PLC	3.7	1.1	Financials		2.6
Hunting PLC	2.5	0.1	Energy		2.4
Derwent London PLC	2.5	0.1	Financials		2.4
Spirent Communications PLC	2.3	0.1	Information Technology		2.3
Premier Oil PLC	2.4	0.1	Energy		2.3
GKN PLC	2.4	0.2	Consumer Discretionary		2.2
Underweight	Port %	Index %	Sector	Deviation from Index	%
Unilever PLC	--	1.5	Consumer Staples		-1.5
Barclays PLC	--	1.6	Financials		-1.6
SABMiller PLC	--	1.7	Consumer Staples		-1.7
Anglo American PLC	--	1.7	Materials		-1.7
Vodafone Group PLC	3.0	4.8	Telecommunication Services		-1.8
AstraZeneca PLC	--	2.0	Health Care		-2.0
Diageo PLC	--	2.1	Consumer Staples		-2.1
BHP BILLITON LTD	--	2.3	Materials		-2.3
HSBC HOLDINGS PLC	3.1	5.6	Financials		-2.4
Royal Dutch Shell	3.7	7.8	Energy		-4.2

Sector analysis - overweights and underweights

	Port %	Index %	Deviation from Index	%
Energy	20.1	17.6		2.5
Financials	16.0	20.7		-4.7
Industrials	15.7	8.0		7.7
Consumer Discretionary	8.9	7.7		1.2
Consumer Staples	8.4	14.8		-6.4
Materials	8.2	12.1		-3.9
Telecommunication Services	8.1	6.2		1.9
Health Care	5.7	7.2		-1.5
Information Technology	5.0	1.8		3.2
Utilities	1.7	3.9		-2.2
Cash	2.1	0.0		2.1

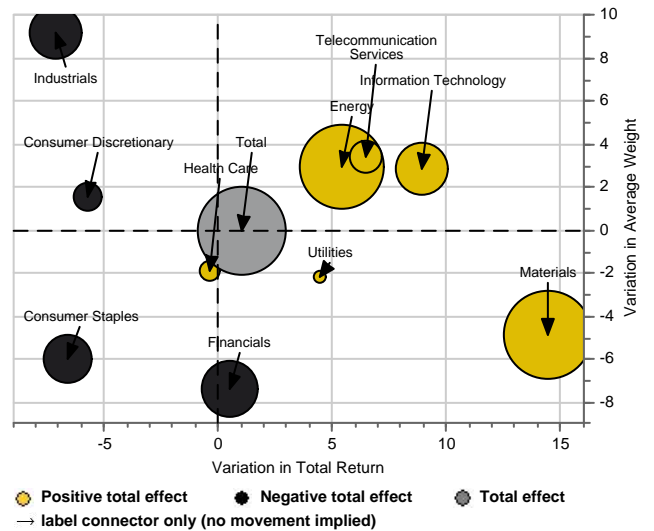
Top 5 positive/negative security attribution (three months)

Security Name	Portfolio			Index		Attri.	Geo. Total Effect
	Avg. Weight	Total Return	Contr. To Return	Avg. Weight	Total Return	Geo. Total Effect	
5 Highest							
Royal Dutch Shell PLC (CL A)	--	--	--	4.7	-7.0	0.6	
Spirent Communications PLC	2.0	37.1	0.6	0.1	37.1	0.5	
Legal & General Group PLC	3.2	27.1	0.8	0.4	27.1	0.5	
BT Group PLC	4.8	18.6	0.8	0.9	18.6	0.4	
Hunting PLC	2.2	26.3	0.5	0.1	26.3	0.4	
5 Lowest							
HSBC Holdings PLC	3.1	14.8	0.4	5.5	14.8	-0.2	
Royal Dutch Shell PLC (CL B)	4.4	-9.7	-0.5	3.5	-9.3	-0.2	
Tesco PLC	2.4	-18.2	-0.6	1.5	-18.2	-0.3	
Barclays PLC	--	--	--	1.6	35.3	-0.3	
Weir Group PLC	2.5	-13.8	-0.4	0.2	-13.2	-0.5	

The chart analyses the five largest positive and negative contributors to the portfolio's performance from the perspective of individual stock holdings taken from the attribution report as measured by geometric total effect. The portfolio contribution to return, as shown in the accompanying table, is the absolute contribution to the portfolio's performance being the product of the period performance of the holding and its weighting in the portfolio. The geometric total effect is the contribution to the portfolio's performance of the actual stock holding compared with what it would have been had the stock weighting been exactly in line with the index weighting for that stock calculated in a geometric basis.

Sector analysis - performance attribution (three months)

Percent	Geometric Attribution					
	Var. in Avg. Weight	Port. Total Return	Bench Total Return	Alloc. Effect	Sele. Effect	Total Effect
Materials	-4.9	19.9	5.5	0.0	1.0	1.0
Energy	3.0	4.3	-1.2	-0.3	1.2	0.9
Information Technology	2.9	23.9	15.0	0.2	0.3	0.6
Telecommunication Services	3.4	6.4	0.0	-0.3	0.6	0.3
Health Care	-1.8	-3.7	-3.3	0.2	0.0	0.2
Utilities	-2.2	9.4	4.9	0.0	0.1	0.1
Consumer Discretionary	1.6	8.9	14.6	0.1	-0.4	-0.3
Consumer Staples	-5.9	-3.5	3.1	0.1	-0.6	-0.5
Industrials	9.2	5.4	12.4	0.6	-1.1	-0.6
Financials	-7.3	16.6	16.0	-0.7	0.1	-0.6
Total	--	7.2	6.1	-0.1	1.1	1.0

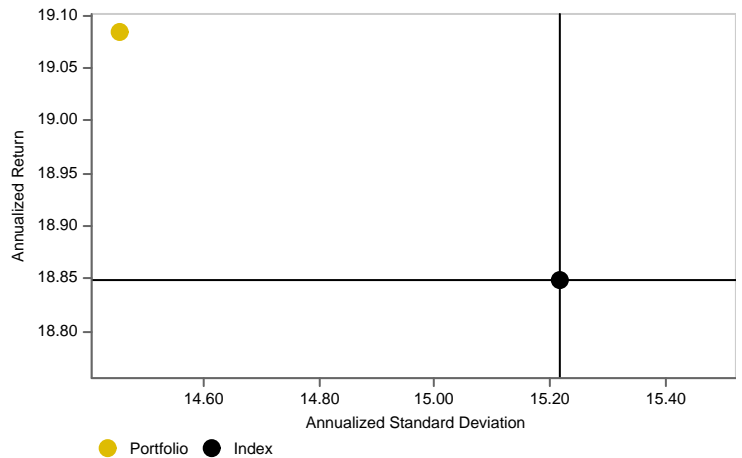


Attribution calculation methodologies may result in rounding differences of total effects versus geometric total portfolio returns

Risk Analysis

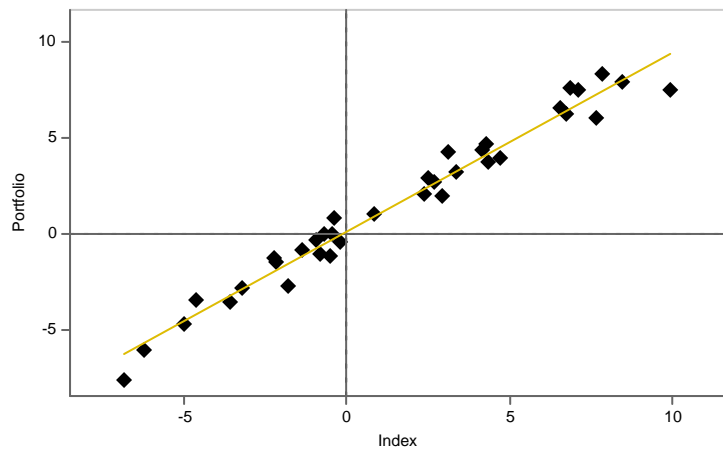
	Port	Index
Absolute Volatility	14.45%	15.22%
Relative Volatility	0.73	--
Tracking Error	2.64%	--
Sharpe Ratio	1.26	--
Information Ratio	0.09	--
Beta	0.94	--
Sortino Ratio	2.42	--
Jensen Alpha	1.38%	--
Annualised Alpha	1.28%	--
Alpha	0.11%	--
Max Drawdown	-13.44	-14.50
R²	97.13%	--

Risk/return analysis (three years)



The risk ratios and risk return analysis shown above are based on month end performance data over a three year period.

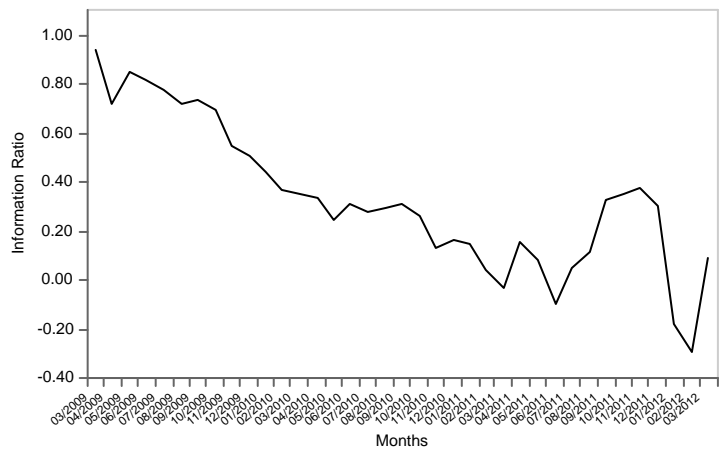
Regression Line



The regression line is calculated from the last 36 months individual data points. Each point represents the relevant monthly return of the fund and the index's corresponding return. The returns are as follows:

$$y = 0.936161x + 0.106410 \quad R^2 = 97.126282$$

Information Ratio



The information ratio is based on rolling 36 months statistics.